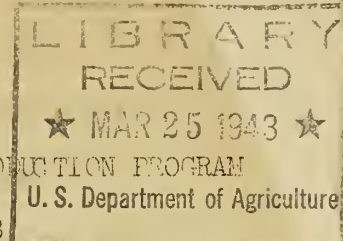


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UNITED STATES DEPARTMENT OF AGRICULTURE
U.S. FOOD DISTRIBUTION ADMINISTRATION
Atlanta, Georgia



THE ROLE OF THE FOOD DISTRIBUTION ADMINISTRATION IN 1943 FARM PRODUCTION PROGRAM
Statement for Farm Mobilization Day, January 12, 1943

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The whole nation now realizes what farmers and agricultural workers knew all the time -- that food is the most essential resource of mankind and in wartime one of our mightiest weapons.

Enough food might have enabled us to hold Bataan until reinforcements could get there. Enough food might have changed the map of Nazi Europe. Enough food might have changed the story in China.

We are going to do everything we can to make sure that lack of food will not prove our undoing on any major front. We will do everything we can to make sure that our allies do not have to give up the fight because they are starving. We will do everything we can to make sure that the people of the countries we occupy, as we are now occupying Africa and will later occupy Europe, do not hate us because we drain off their scant supplies of food as the Nazis and Fascists have done.

This is a big job we have set out for ourselves. It is the biggest job of food production and the biggest job of food distribution that any nation ever undertook. But we are ready for it and we are better prepared than any country in the world to do it.

The President recently set up in the Department of Agriculture two big agencies, the Food Production Administration and the Food Distribution Administration. Most farmers are well acquainted with the job of the Food Production Administration, but many farmers know relatively little about the Food Distribution Administration -- because its job begins when farm products have been produced and are going to market. However, it is impossible to separate completely the production job from the distribution job. As farmers go about

their plans for 1943, they are going to be affected a great deal by the Food Distribution Administration and what it is doing.

Probably one-fourth of all the food crops that farmers produce in 1943 will pass through the hands of this agency. A large part of this food will go to our armed forces in all parts of the world. About as much will be shipped to our allies in arms all over the world. A smaller part will go to the countries we have occupied where food shortages are critical, and to our territories and dependencies that are suffering food scarcity. Still smaller parts will go to schools, day nurseries, child welfare centers, and institutions in this country to maintain adequate diets for children and handicapped adults.

With the Federal Government handling such a tremendous volume of food in 1943, farmers will have an outlet for every pound, gallon, and bushel that they produce. But there are several things farmers ought to know about how the Food Distribution Administration will handle this business. Where will it buy, what will it buy, from whom will it buy, and how much will it pay? The answers to these questions have an important bearing on production plans of every farmer in the nation.

First, where will the Food Distribution Administration buy the huge volume of farm products it will be handling in 1943? The answer is that products will be bought wherever they can be found in quantities of sufficient size to justify handling costs -- provided such products meet requirements as to grade, processing, packaging, and so on. A great many products will be bought right in the locality where the farmer sells his crops. Other large quantities will be bought at centrally located market points. Still other large quantities will be bought by mail or telegraph bids from large processors and suppliers. Purchase operations are flexible and we can adapt them quickly to the needs of the situation.

There is a great opportunity here for farmers to plan their production

in 1943 so as to take full advantage of Government purchase programs. County war boards should encourage production of particular crops near existing market centers for those crops because there is more likelihood of support for concentrated markets than for scattered markets. No farmer should go in for production of a crop if there is no convenient market for that crop. If there is such a market, Government purchase programs will support it if necessary.

Second, what will the Food Distribution Administration buy? The answer to that is -- almost any type of commodity grown on the farm or made from farm products. A great deal of produce will be bought in just the shape it comes from the farm. Large quantities of completely processed and packaged commodities will also be bought.

Third, from whom will FDA buy? Lots of crops will be bought at farm market points -- in many cases directly from the farmer or his cooperatives. Others will be bought from dealers who handle the farmers' produce, as in the case of the egg program. Still others -- and the largest part of our purchases -- will be made through large suppliers and processors.

At this point it ought to be explained that the food purchasing of the FDA will be conducted with two general policies in mind. The first and most important policy is that needs of the army, navy, lend-lease, and relief of occupied countries must be served. They get what they want, when they want it, and how they want it. The second policy is that as far as possible, Federal purchases will be managed in such a way as to protect local farm markets and to guarantee profitable prices.

Now for the fourth and most important question, what prices will be paid? The answer is that Federal Government buying will be managed so as to provide support at the prices that have been and will be announced by the Secretary and that in most cases, purchases will be at prices higher than the support prices.

The Secretary has stated that the Department will, as far as possible, maintain prices for dairy and poultry products, meat animals, and food crops most urgently needed at a level sufficient to assure producers of attractive returns for the desired production. However, prices received by farmers for many commodities will be above the support prices during 1943, due to vastly increased demands.

Farmers are assured by the Act of Congress that: (1) Loans will be offered to cooperators at not less than 85 percent of parity in the case of corn and wheat and not less than 90 percent of parity in the case of cotton, rice, peanuts and tobacco (with certain exceptions); and (2) Price supports will be maintained, within the limits of funds available, at not less than 90 percent of parity on all commodities for which the Secretary of Agriculture has publicly requested increased production. For a number of the commodities which are most needed, support prices will be well above the minimum level.

Here is a list of the prices the Department of Agriculture will support for eligible producers until June 30, 1944. The only exception is that the price of hogs will be supported until September 30, 1944. Of course, some adjustments will have to be made where applicable for location, type, grade, and class:

Hogs: 90 percent of the parity price, but in no event less than \$13.25 per hundredweight. This price is the average for good to choice butcher hogs weighing 240 to 270 pounds, at Chicago.

Eggs, turkeys, and chickens (excluding broilers or chickens weighing less than three pounds live weight): 90 percent of the parity price. But in no event will the price for eggs purchased on an offer and acceptance basis be equivalent to less than 30 cents per dozen in the spring and early summer and an annual average price of 34 cents per dozen, basis U. S. average farm price. Contracts are being made with egg handlers all over the South to provide this

guarantee. If the price for eggs in any community drops below this price, the county agent or the war board should get in touch with the Food Distribution Administration, and the situation will be corrected.

Butter, cheese, dry skim milk, and evaporated milk: 90 percent of the parity price equivalent, but in no event less than 46 cents per pound for 92 score butter, Chicago basis; the equivalent of 27 cents per pound including subsidy for No. 1 American cheese, Plymouth basis; 12.5 cents for roller and 14.5 cents for spray process dry skim milk, extra grade Midwest basis, and a comparable price for evaporated milk, f.o.b. plant basis, to be announced later.

The 1943 crop of soybeans for oil: 90 percent of the comparable price calculated as of the beginning of the marketing year (October 1), but in no event less than \$1.60 to \$1.75 per bushel depending on oil content, U. S. average farm price, for Yellow or Green Soybeans of high oil content. Prices for brown and black beans will not be supported.

The 1943 crop of potatoes: 90 percent of the parity price calculated as of the beginning of the marketing year, but not less than specified prices for certain grades of potatoes in specified commercial areas.

In addition, the Department will announce specific support prices for snap beans, corn, peas, tomatoes, beets, carrots, pumpkin and squash for processing and cabbage for kraut, before February 1. In general, these support prices will be maintained through certification of canners agreeing to pay specified prices to growers and Government commitment to purchase the processed commodity at a level which will support grower prices at about the same level as in 1942. Specific support prices for dried apples, apricots, peaches, pears, prunes and raisins will also be announced about February 1. It might be mentioned here for the information of strawberry growers that a purchase program similar to the one last year will probably be in operation this season.

The Department of Agriculture is recommending a single price program for all peanuts, whether for edible use or for oil, which will assure growers an average return between 80 and 85 percent of the parity price for peanuts, which was \$147.80 per ton as of October 15, 1942. Such a program would require new legislation. If a single price program or its equivalent is not possible, price support programs similar to the 1942 program will be continued in 1943 for both peanuts for nuts and peanuts for oil.

The Department also will endeavor to maintain feed prices, especially prices of corn, feed wheat, and oil meal, in 1943 at about the same level as in 1942 in order to encourage heavy feeding and increased livestock production. Loans will also be made to producers on grain sorghum and barley at rates slightly higher than in 1942.

Price support will also be provided for dried peas and beans, hemp seed, flaxseed for oil, and Anglo-Egyptian cotton under certain terms. Anyone who is interested can get full information from the State War Board.

A final word about price ceilings. Price ceilings for farm products and goods processed from farm products must be approved by the Secretary of Agriculture. Every effort will be made to assure the setting of these ceilings and the control of margins so as to protect farm prices. Whenever a ceiling has the effect of lowering the farm price to an unprofitable level, action will be taken to raise the ceiling or provide other protection.